

section 7

Housing

The rapid population growth Raleigh has enjoyed since the early 1990s has created an active housing market with both benefits and challenges. The focus of this chapter will be on the affordable housing challenge such a housing market creates for buyer and renter households with low- to moderate-incomes.

Raleigh's Housing Market

Compared to other Sunbelt cities, Raleigh's housing market imposes less of a housing burden for its residents overall. For example, the Wells Fargo/National Association of Home Builders' "Housing Opportunity Index" for the fourth quarter of 2016 indicated that 71 percent of homes for sale in the Raleigh-Cary MSA were affordable to a median income household, while nationally that figure was 60 percent. Despite that positive distinction, rising costs associated with rapid growth has created a housing market that presents challenges for buyers and renters at the lower end of the income ladder.

In March 2017, Triangle MLS reported that for Wake County, the average days on market until sale was only 44, making this a seller's market with sales prices increasing as much as 10 percent annually year-over-year. Land values are increasing as well prompting owners of older, more affordable apartments to sell to developers at ever rising prices. Market conditions, with rental vacancy rates well under 5 percent, encourage those developers to clear the site and construct denser, upscale developments. This dynamic has produced rising rents, a loss of existing privately owned affordable housing, and a subsequent increase in housing cost burden especially for low-income renters. While this market benefits homeowners wanting to sell and investors seeking a good return on investment it creates challenges for both lower income homebuyers and renters.

Census data in Table 1 provides a snapshot of Raleigh's housing stock compared to the nation as a whole

**Table 1 Basic Facts About Owners and Renters: Raleigh and USA
2011-2015 ACS 5-Year Estimates**

Demographic Indicator	Raleigh	USA
% owner-occupied	52.1	63.9
% renter	47.9	36.1
% of units that are single-family detached	48.3%	61.6%
Median house value	\$208,800	\$178,600
Median monthly costs of ownership	\$1,424	\$1,492
Median rent	\$926	\$928
Median household income, owners	\$81,512	\$53,889
Median household income, renters	\$36,559	\$33,784

Raleigh's homeownership rate has historically been around 50 percent, while the homeownership rate nationwide is closer to 64 percent. This is due in part to the number of students attending NC State University and several other colleges and universities located in the capital city. Raleigh's median sales price is 17% higher than nationally, yet monthly costs of ownership (and rent rates) are almost evenly matched, city to country. However, Raleigh's median income is much higher than the national median income, which may account for the local market's tendency to focus production on upscale or luxury units.

Raleigh's housing market is vibrant and complex. But the need for more affordable housing is generally recognized as a challenge that the City needs to address.

Affordable Housing Challenges

As the American Community Survey data in Table 1 indicates, the City has some features of its housing market close to the national experience, and some features are significantly different. At the “macro level” no problems appear for the City’s renters or homeowners. When Comprehensive Housing Affordability Strategy (CHAS) data, which is organized by income group, is employed to evaluate the housing experiences of the City’s residents, it becomes clear that lower income residents of the City have a greater need than those of higher incomes.

As Table 2 indicates, 33,610 renter households with incomes below 80 percent of area median income (AMI) were paying more than 30 percent of household income on housing (rent and utilities), while 17,890 additional renter households with incomes less than 80 percent AMI were paying more than 50% of their income to cover these costs. Combined, in 2015, approximately 51,500 renter households in Raleigh with incomes below 80 percent AMI were cost burdened.

As shown in Table 3, Raleigh’s apartment vacancy rates have been below the state and nation since 2012, and this phenomenon contributes to some extent to the trend that is taking place in the City of tearing down older, affordable apartment communities and rebuilding with luxury units.

Table 2 - City of Raleigh Income By Cost Burden: Renters

Renter Households		
Income (AMI)	Burden > 30%	Burden > 50%
<=30% AMI	14,600	12,980
>30% <= 50%	11,970	4,280
>50% <=80%	7,040	630
>80% <=100%	815	120
>100%	610	160
Total households cost burdened	35,035	18,170

Comprehensive Housing Affordability Strategy data, HUD, from 2009—2013 ACS

**Table 3 - City of Raleigh Apartment Vacancy Rates:
Comparison with State and Nation**

Year	US	NC	Raleigh, NC
2015	5.85%	7.02%	5.05%
2014	6.32%	7.29%	6.17%
2013	6.49%	7.46%	4.49%
2012	6.77%	8.00%	5.78%
<i>www.deptofnumbers.com/rent/north-carolina/raleigh/</i>			

Homeowners, too, are experiencing cost burdens. As Table 4 indicates, 13,520 homeowners with incomes less than 80 percent AMI were paying more than 30 percent of income on housing costs (principle, interest, taxes and insurance); and 6,405 homeowners with incomes less than 80 percent AMI were paying over 50 percent of income on housing. Combined, in 2015, approximately 19,925 Raleigh homeowners with incomes less than 80 percent AMI were cost burdened.

Many neighborhoods where available affordable units are located do not offer standard quality housing and safety. Often the public infrastructure and amenities are aging and in need of replacement. Although the City has demolished a significant portion of the substandard housing stock in redevelopment areas (building infill affordable housing in its place), there are still many areas where housing has deteriorated. In these instances, deteriorated or abandoned housing can sometimes discourage new investment in the surrounding neighborhood. In near-downtown locations, many such sites are being acquired by private developers and transformed into new housing opportunities often out of reach of the families of long-time residents.

Table 4 - City of Raleigh Income By Cost Burden: Owners

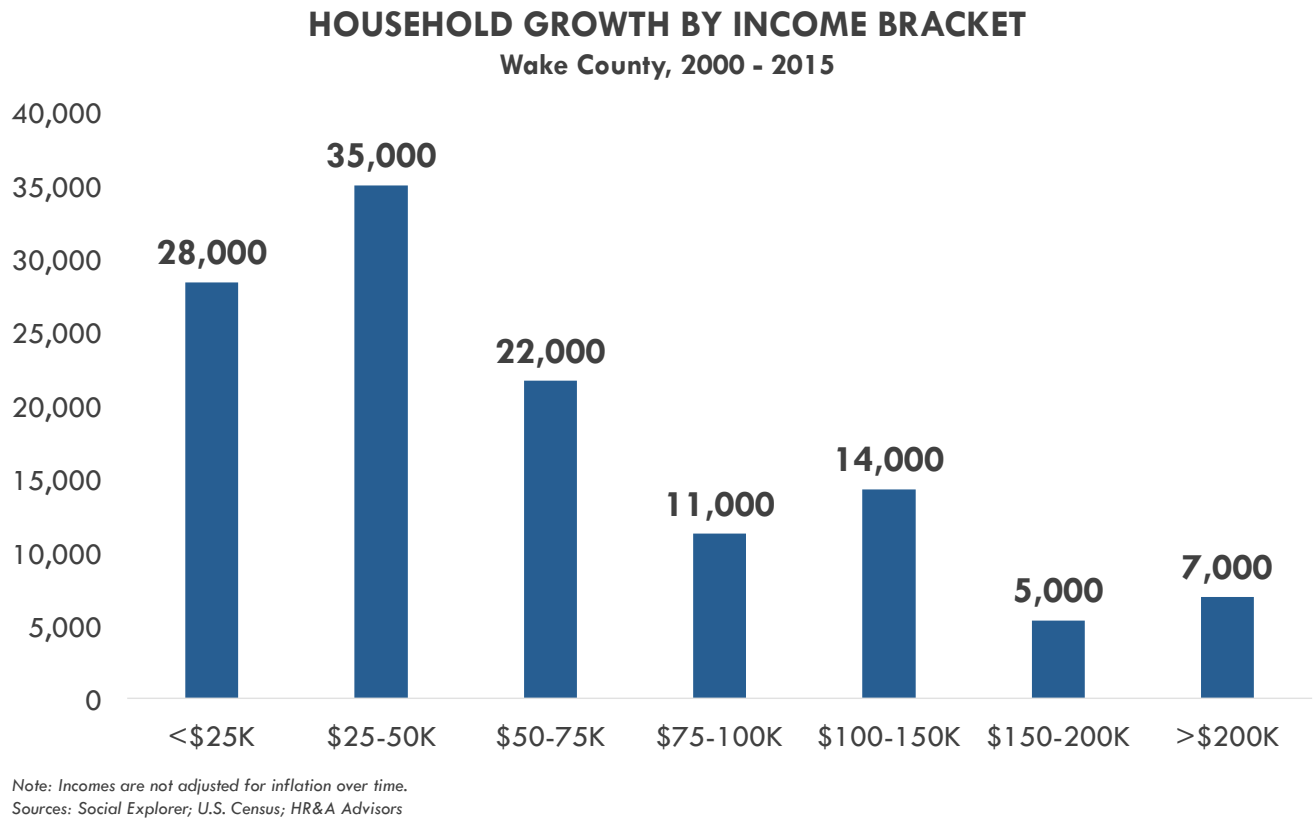
Owner Households		
Income (AMI)	Burden > 30%	Burden > 50%
<=30% AMI	3,220	2,760
>30% <= 50%	3,510	1,935
>50% <=80%	6,790	1,710
>80% <=100%	2,965	315
>100%	4,105	425
Total households cost burdened	20,590	7,145
<i>Comprehensive Housing Affordability Strategy data, HUD, from 2009—2013 ACS</i>		

Many residents of the City struggle to even find housing. Recent data from the Raleigh Housing Authority showed a total of almost 8,000 families on the waiting list for public housing or Housing Choice Vouchers. The 2016 Point-in-Time (PIT) count of persons meeting HUD's definition of homeless yielded 818 persons in the City who were homeless. Supplemental data from Wake County's school system showed over 2,500 students living in motels/hotels and local knowledge by homeless service providers identifies persons and families "doubled up" with relatives or friends. Neither group meets the HUD definition so the real homeless need is greater than the official Point in Time count of 818.

Considering these numbers, Raleigh's existing affordable housing challenge becomes apparent. Recent demographic trends suggest that the challenge will be even greater in the City's future. As the following graph (developed for Wake County's affordable housing plan steering committee) indicates, the greatest household growth in Wake County in the period 2000—2015 was among lower income demographics.

Location of housing affordable to lower-wage residents who may have transportation challenges (lacking a reliable car, for example) can often be a barrier to steady employment, attending school, etc. unless low cost and reliable public transit options exist to connect the housing to employment centers, grocery stores, schools, and other amenities. It isn't always possible to make sure that every new affordable apartment community built in the City, for example, is served by bus service that connects residents to their jobs or schools.

The rate of household growth has been highest among low income groups, which impacts the County's housing needs and approach to affordable housing.



Raleigh's Affordable Housing Programs

The City's role in addressing its housing affordability problems is part of a larger partnership involving Wake County, Raleigh Housing Authority, local nonprofit organizations, builders, and state and federal funding agencies. Of the latter, HUD has traditionally been the driving force nationally among most cities (except the smallest) of writing the rules and providing the funding for housing and community development. The three most-used federal programs for these purposes are the Community Development Block Grant (CDBG), the HOME Investment Partnership (HOME), and, for homelessness specifically, the Emergency Solutions Grant (ESG). All three are provided to the City as an entitlement, that is, the funds are provided annually by formula, pending the City's participation in HUD's Consolidated

Plan regulations, and other federal compliance (fair housing, civil rights, wage rates, environmental law, etc.) requirements.

For decades the City of Raleigh has offered a variety of assistance programs to address the housing needs of low- and moderate-income (LMI) residents of the City. Like most American cities the assistance has been restricted to LMI households as defined by the U.S. Department of Housing and Urban Development, or HUD. The top income for decades has been households earning no more than 80% of the metropolitan area's median income (AMI), adjusted for household size. Some programs are targeted to those at lower income levels (30%, 50%, and 60% of AMI). Table 5 shows the alignment of City housing programs available with the corresponding income groups.

Table 5 - Continuum of Housing Assistance Among Households of Differing Incomes

	Lowest to Highest Income				
% of area median income (AMI) top limit	Up to 30%	Up to 50%	Up to 60 %	Up to 80%	81-120%
Top income for family of 4	\$24,060	\$40,100	\$48,120	\$64,150	\$96,200
Type of household	Extremely low-income renters or homeless	Very Low-income renters	Low-income renters	Moderate-income homeowners	Sometimes referred to as “workforce”
Subsidy programs availability	Existing programs: City ESG grants to nonprofits to address homelessness. Development of facility for coordinated entry / assessment at Oak City Center. Needs also addressed by RHA (rent vouchers and public housing).	Existing programs: City-owned rentals. City loan terms favor income mixing (i.e., units set-aside for <40% AMI and <50% AMI, as well as <60% AMI	Existing programs: Local funding and federal HOME funds for preservation of existing / produce new affordable apartments – usually combined with federal Housing Tax Credits	Existing programs: Citywide \$20,000 second mortgage program for first time LMI buyers; infill single-family housing on City-owned lots near downtown; housing rehabilitation loans of no or low interest.	Existing programs: none. No public subsidy for households over 80% AMI (NC state law often uses federal definitions of affordability). City uses land use policies to assure diversity of housing types to serve this group.

\$80,200 is the area median income (AMI), family of four, for June 2017 in Raleigh-Cary metropolitan area.

Table 5 reflects the fact that financial assistance is directed to households below the national, long-standing standard of no more than 80% of area median income, adjusted for family size. Different types of programs are available depending on how much below 80% the household falls. For example, rental units created with federal resources are restricted by federal law to households not making more than 60% of area median income. Those individuals and households earning more than 80% of AMI (such as those

making 81% - 120% of AMI, sometimes referred to as the workforce) are not served by City or federal funding sources outside of the federal subsidy of homeownership and the mortgage interest deduction, estimated at \$70 Billion annually. This group has a need for housing in their price range and this need is being addressed at the state level. The City of Raleigh uses its zoning ordinance to make sure developers are not restricted in their ability to serve this market segment.

[illegible]

- Map created 3/13/2017 by the
City of Raleigh Department of City Planning

There are 10,766 units of publically-supported affordable housing within the city, including traditional housing units and apartments developed by for-profit housing developers with federal low-income housing tax credits. Including housing choice vouchers managed by the Raleigh Housing Authority (RHA), the most current (2016) estimate of assisted affordable housing units totals nearly 14,635 units in the city, about 8 percent of Raleigh's total housing supply.

In 2016, Raleigh City Council increased the ad valorem by one cent for the purpose of creating and preserving affordable rental housing. The supply of assisted affordable housing is spread unevenly across the city. The Affordable Housing Location Policy adopted in September 2015 encourages the development and rehabilitation of city-subsidized affordable rental housing throughout all areas of the city, with emphasis on locations near transit or within the downtown or neighborhood revitalization strategy areas. The City's practice is to solicit both 9 percent and 4 percent tax credit proposals from affordable housing developers annually, and provide low-interest loans to assist with the financing.

Raleigh's housing stock is 62% single-family detached and many of these units are aging. Many of these older houses are clustered in low-income areas near downtown. The City provides financial assistance to help homeowners rehabilitate their homes.

While most homeowners would prefer to "age in place," many are forced out of their homes when a physical disability makes it impossible for them to manage stairs. The rehab program also provides assistance to these aging homeowners.

For renters that want to transition to homeownership, the City supports homeownership counseling and provides zero-percent deferred downpayment assistance of up to \$20,000. In addition, downpayment assistance can be used throughout the City.

The City also facilitates homeownership opportunities through neighborhood revitalization investments that result in the creation of infill housing. Downpayment assistance is available for LMI homebuyers to acquire these infill units.

In addition to infill housing, neighborhood revitalization efforts include: citizen engagement, master planning, site planning, infrastructure development, new sidewalks and curbs, and new construction of affordable housing. Other revitalization activities are: parks, transit stops, employment opportunities, and greenway connections.

Other types of housing are needed to meet residents' special needs for housing with supportive services. In 2016, the Raleigh Wake Partnership to End and Prevent Homelessness, the City, the County, and Catholic Charities moved forward with the development of the Oak City Center, a multi-service center for the homeless that will include coordinated entry and assessment based on a Housing First approach. The goal is to fulfill the vision of making homelessness "rare, brief, and nonrecurring," as stated in Opening Doors: The Federal Strategic Plan to Prevent and End Homelessness, presented to Congress in 2010 by the United States Interagency Council on Homelessness.

Permanent supportive housing for persons with special needs is also a major need. The City's Unified Development Ordinance has a definition of "supportive housing residence" that guides its zoning approvals, which include minimum separation of similar units. But in the context of the City's investments in permanent supportive housing (PSH) the following definition is provided by the U.S. Interagency Council on Homelessness: "housing intervention that combines non-time-limited affordable housing assistance with wrap-around supportive services for people experiencing homelessness, as well as other people with disabilities." The City makes funds available to nonprofit developers to build permanent supportive housing, usually through small scale efficiency apartments that include non-residential space for counseling or group activities within the development.

Both County and City are actively engaged in transit planning and implementation. In early 2017, Wake County began implementing the new Wake County Transit Plan using revenues from sales tax. The main components of the County plan, which will have a significant impact on Raleigh's residents, are: (1) Increase bus service frequency, reliability, and reach from 17 to 83 miles; (2) implement Bus Rapid Transit, initially along four corridors in Raleigh; and (3) implement approximately 37 miles of Commuter Rail Transit, connecting downtown Raleigh to Raleigh Durham airport, Cary, Research Triangle Park, and Durham. The City, too is investing in transit by expanding Moore Square Transit Station and Union Station, a \$62 million multi-modal facility.

These improvements to the transit network will improve people's connections within Raleigh and regionally to job centers, public schools, public facilities, and amenities. Such improvements, though they benefit the City as a whole, will help those persons of lower income more likely to have limited transportation options outside of public transit.

City of Raleigh Affordable Housing Location Policy

Objectives

The purpose of the Affordable Housing Location Policy is to set forth desired outcomes relative to the creation or preservation of affordable multi-family rental housing with the overall goal of affirmatively furthering fair housing choice for all residents. Specific objectives of the Policy include the following:

- *To increase the supply of affordable housing in underserved locations near employment and commercial centers;*
- *To encourage the development of affordable housing near existing and proposed transit services;*
- *To provide for affordable housing in and near downtown Raleigh and in neighborhoods having approved revitalization plans; and*
- *To prevent further concentrations of minority and low-income persons and subsidized housing.*

Exemptions

This policy shall apply to any multi-family rental development that is funded in whole or in part by the City of Raleigh or requires the approval of City Council with the following exemptions:

- *The rehabilitation of existing units.*
- *Developments serving elderly or disabled populations.*
- *The replacement of affordable rental units lost to demolition or conversion subject to a determination by the Housing and Neighborhoods Department and subsequent approval by City Council that the proposed replacement housing will serve the same market area or neighborhood.*

Geographic Applicability and Exceptions

As a means of implementing this policy, newly constructed subsidized multi-family housing developments will not be allowed in census tracts having a concentration of minority or low-income persons or subsidized rental housing unless the proposed project qualifies for one or more of the following exceptions:

- *Developments located within a one-half mile radius of a proposed rail or bus rapid transit station;*
- *Development located within one-half mile of a transit stop served at intervals of 15 minutes or better in each direction throughout the day;*
- *Developments located within the boundaries of the Downtown Element in the Comprehensive Plan; or*
- *Developments which are implementing elements of a mixed-income neighborhood revitalization plan approved and funded by City Council.*
- *Waiver Process*
- *City Council has the authority to grant waivers on a case-by-case basis. Developers seeking a waiver shall submit a written request to the Housing and Neighborhoods Department. Department staff will evaluate the request and submit an analysis and recommendation to Council.*

Definitions

For purposes of this policy, the following definitions apply:

Multi-Family Housing: Housing developments consisting of greater than 24 residential units.

Subsidized Multi-Family Housing: Any multi-family housing development consisting of greater than 24 residential units financed in whole or in part with local, state or federal financial assistance where the subsidized housing units are restricted to serve households earning 60% or less of the area median income (AMI).

Disabled: Having a physical or mental disability that substantially limits one or more major life activities, having a record of such impairment or being regarded as having such impairment.

Elderly: Housing occupied by one person who is 55 or older in at least 80% of the occupied units.

Concentration of Minority and Low Income Persons: Census tracts in which the percentage of minority residents equals or exceeds 50% or census tracts where the percentage of households living in poverty equals or exceeds 30%.

Concentration of Subsidized Rental Housing: Census tracts in which subsidized multi-family housing and rental units occupied by households with tenant-based Section 8 vouchers* equals or exceeds 8% of the total rental stock, excluding housing for the elderly or disabled.

**Data provided by RHA in 2014.*

Review Procedures

The Housing and Neighborhoods Department shall be responsible for reviewing all proposals for the development of subsidized multi-family housing to determine compliance with this Policy.

Policy Updates

Maps depicting areas of concentration will be updated not less than every five years in conjunction with updates or revisions to the Housing Element of the Comprehensive Plan.



Recent Raleigh Initiatives

From 2015 to 2017 a variety of public actions and documents were completed that will have an impact at least through 2020 on the supply and location of affordable housing in Raleigh. These were:

- *Completion of a regional Analysis of Impediments to Fair Housing Choice (AI) with Wake County, the Town of Cary, and the two housing authorities.*
- *Adoption of the 2016-2020 five-year Consolidated Plan (ConPlan) to guide City investments in affordable housing and neighborhood revitalization, priorities being (1) increasing the supply of affordable housing, (2) enhancing the homeless to housing continuum, and (3) neighborhood revitalization.*
- *Adoption of the Affordable Housing Location Policy to guide new City-supported affordable multi-family housing developments to opportunity areas and discourage concentrations of subsidized rental developments in areas where racial minorities and poverty are concentrated.*
- *Adoption of an Affordable Housing Improvement Plan (AHIP) which established options for City investments in affordable housing, using the three priorities contained in the 2016-2020 ConPlan.*
- *Institution of an ad valorem tax on the residential real estate tax rate to generate local revenue dedicated to affordable rental development and housing rehabilitation.*
- *Selection of site and budgeting of funds by the City and County for acquisition and up-fit of existing building to create (with Catholic Charities) a multi-service and coordinated entry/assessment center for homeless persons.*
- *Adoption of a City Strategic Plan, part of which pertains to housing and neighborhood revitalization under a “Safe, Vibrant, and Healthy Community” objective.*

The City Strategic Plan housing-specific objectives and actions were as follows:

Objective 2: Preserve and increase the supply of housing for all income groups, including those with supportive service needs.

- *Establish partnerships to provide for a homeless service resource center.*
- *Expand partnerships to increase the supply of permanent housing for formerly homeless and at-risk persons with special needs.*
- *Seek new partnerships for the development of mixed-income housing in or near the Downtown area.*
- *Replace the Scattered Site Policy with a tool that affirmatively sets forth desired housing outcomes [see new Affordable Housing Location Policy below].*
- *Evaluate funding strategies to support affordable housing; review, modify or expand housing programs and tools.*

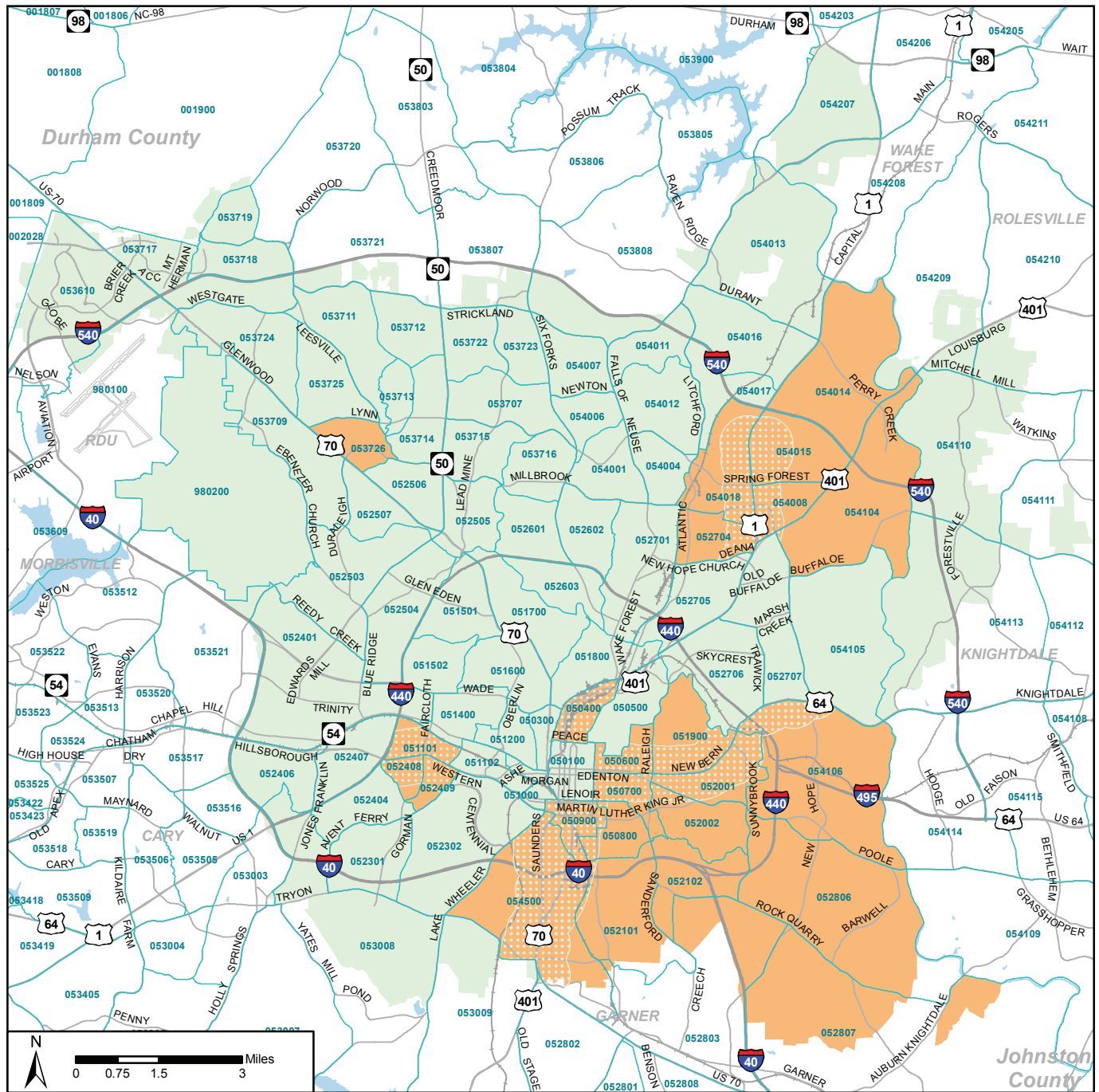
Objective 3: Endorse targeted redevelopment through walkable, mixed-use and mixed-income neighborhoods.

- *Prepare and adopt plans for targeted areas characterized by disinvestment and consider funding strategies to implement plan components.*
- *Identify and address acquisition priorities in redevelopment areas to eliminate blight and create critical land mass for future development.*
- *Strengthen neighborhood social fabric through community outreach, engagement and communication.*

Policies and actions of this Element appear below. Numbers indicate their relationship to the Vision Themes. The availability of safe, decent, affordable housing will largely determine the success of the City's vision themes:

1. Economic Prosperity and Equity
2. Expanding Housing Choices
3. Managing Our Growth
4. Coordinating Land Use and Transportation
5. Greenprint Raleigh
6. Growing Successful Neighborhoods and Communities

H-2: Affordable Housing Location Policy



- Affordable Housing Opportunity Area
- New Subsidized Multi-Family Housing Not Allowed in Census Tracts Where:**
 - Minority Population Exceeds 50%, or Households in Poverty Exceeds 30%, or Subsidized Units Exceed 8% of Total Units
- Area May Meet Geographic Exceptions
- Census Tract Boundaries

7.1 Affordable Housing

The policies and actions in this chapter assist in guiding the City in addressing the affordable housing challenges described in the introduction of this element.

Policy H 1.1 Mixed-Income Neighborhoods

Promote mixed-income neighborhoods throughout the City, particularly within high-density development at employment centers, downtown, within NRSAs and along transit corridors.

Policy H 1.2 Geographic Dispersal of Affordable Units

Promote dispersal and production of affordable housing units throughout all areas of the City using the City's Housing Location Policy adopted in 2015.

Policy H 1.3 Affordable Housing Design

All housing, including subsidized affordable and market rate housing, should be designed so that it blends with the context of the neighborhood in which it is located, emphasizing quality design and appearance.

Policy H 1.4 Scattered Site Infill

Support small, scattered-site residential developments on infill lots where appropriate and where design respects the neighborhood scale and context.

Policy H 1.5 Housing Preservation

Encourage the preservation of existing housing units whenever feasible, especially structures of historic or architectural significance.

Policy H 1.6 Zoning for Housing

Ensure that zoning policy continues to provide ample opportunity for developers to build a variety of housing types, ranging from single-family to dense multi-family. Keeping the market well supplied with housing will moderate the costs of owning and renting, lessening affordability problems, and lowering the level of subsidy necessary to produce affordable housing.

Policy H 1.7 Housing Diversity

Promote housing diversity and affordable housing choices for households at 60 percent of AMI or below in the immediate area around transit corridors.

Policy H 1.8 Permanent Funding Source for Housing

Ensure permanent local funding to help produce and preserve affordable housing units.

Policy H 1.9 Existing Housing

Encourage reinvestment and maintenance of the existing housing stock to prevent the conversion of affordable housing units to market-rate units, including funding the City's housing rehabilitation programs.

Policy H 1.10 Removing Housing Barriers

Examine regulatory and policy barriers to affordable housing development while still maintaining Raleigh's high-quality development standards.

Policy H 1.11 Long-Term Affordability

Ensure that newly created for-sale and rental affordable housing units developed with City financial assistance remain affordable for more than 20 years through a Community Land Trust, developer agreements with 40- to 60-year affordability periods, or similar mechanisms.

Policy H 1.12 Affordable Set-Asides in Projects

Encourage a 20% minimum set-aside of affordable housing units in housing or mixed-use projects involving City-owned properties.

Policy H 1.13 Housing on Public Sites

Use available City-owned sites for affordable housing.

Policy H 1.14 Incentives on Private Sites

Incentivize private developers to create new affordable housing on privately-owned sites through city funding.

Policy H 1.15 Site Assembly for Housing

Continue to acquire vacant and substandard residential lots and assemble into standard lots for new affordable or mixed-income housing.

Policy H 1.16 Minimize Displacement

Minimize residential displacement resulting from redevelopment activity and provide replacement housing.

Policy H 1.17 Transit Accessibility

Preferentially locate affordable housing in areas with good access to transit services and/or locate transit in areas currently occupied by subsidized affordable housing.

Policy H 1.18 Transit Availability

Expand public transit to serve housing in all parts of the City.

Policy H 1.19 Affordable Units in TODs

Provide zoning and financial incentives for inclusion of affordable housing near transit stations, particularly for persons with disabilities.

Action H 1.1 Housing Trust Fund

Create a local dedicated source of funding for affordable housing which is recurring and included in the 5 year capital budget.

Action H 1.2 Additional Affordable Housing Tools

Explore creating additional affordable housing using vehicles (such as a Community Land Trust, deed restrictions, and long term shared equity appreciation mechanism) to assure long-term or permanent affordability of housing.

Action H 1.3 Monitoring of Expiring Subsidies

Track existing rental housing units with federal expiring use subsidy contracts or affordable rents to mitigate the loss of these units.

Action H 1.4 Foreclosure Acquisition

Consider establishing a program to advance funds for the acquisition foreclosed or other existing properties for the purposes of providing long term affordable housing.

Action H 1.5 Impact Fee Relief

Develop a funding mechanism to pay impact fees imposed on affordable housing units and provide capital grants to reduce land acquisition and site development costs in developments that serve very low-income households, particularly in downtown.

Action H 1.6 Housing Program Capacity

Determine and implement the appropriate level of staffing to implement the Comprehensive Plan's housing policies and actions.

Action H 1.7 Land for Affordable Housing

Create a program to purchase and "bank" vacant land or land that can be redeveloped to support affordable housing.

Action H 1.8 Sustainability Incentives

Provide financial incentives to developers of affordable housing to ensure that homes are designed to minimize energy costs and meet sustainable design principles.

Action H 1.9 Create Partnership Program

Develop and implement a partnership program to increase local nonprofit housing providers' administrative and programmatic capacity.

Action H 1.10 Projects Involving City-Owned Land

Establish a procedure in the land development process to ensure that residential or mixed-use projects involving any City-owned land, include a minimum of 15 to 20 percent of all residential units as affordable to households below 80 percent of AMI.

Action H 1.11 Affordable Housing Production Goal

Develop a mechanism for establishing a measurable affordable housing production goal.

Action H 1.12 Affordable Rental Program Expansion

Continue to create new programs to implement the 2015 AHIP that will provide incentives to private developers to preserve lower-cost rental communities in Raleigh instead of demolishing or converting them to upscale rental housing.

Action H 1.13 Zoning for Mixed Income

Develop zoning provisions for transit-oriented development that promote housing diversity and affordable housing choices available to households at 60 percent of AMI or below in the immediate area around transit corridors.

7.2 Addressing Homelessness and Special Needs

A desire for decent, safe and sanitary housing is a basic human need that everyone shares regardless of access to resources. Since 2010 when the Interagency Council on Homelessness issued *Opening Doors: The Federal Strategic Plan to Prevent and End Homelessness*, the City has been working with Wake County and the Raleigh/Wake Partnership to End and Prevent Homelessness (the Partnership) to effect system change in the way services are provided to the homeless to better align with this federal directive.

Beginning in 2015, the City, Wake County, and the Partnership, working together, selected Catholic Charities of the Diocese of Raleigh to assist with the creation of a multi-service center (the Oak City Center) to facilitate implementation of a communitywide Housing First strategy using coordinated entry at the new Center, data sharing among service providers, referrals, food distribution, and basic services to people who are homeless or at-risk of becoming homeless. Other groups with unique needs that the private market may not adequately address are those with disabilities and/or needing support services connected to their residence and those faced with displacement from disasters.

The policies and actions that appear below help guide the City in addressing these issues.

Policy H 2.1 Homelessness Prevention

Address the root causes of homelessness resulting from re-entry, deinstitutionalization, and poverty by supporting workforce training, access to transportation, access to affordable child care, counseling and other strategies to help low-income residents reach self-sufficiency and afford housing.

Policy H 2.2 Supportive Services

Strengthen linkages and coordination among all public and nonprofit agencies that provide affordable housing and supportive services.

Policy H 2.3 Assistance to Homeless Service Providers

Promote the efforts of government agencies, the Continuum of Care, non-profit organizations, and the private sector to increase access to emergency shelter, rapid re-housing and homelessness prevention programs, as well as increase the supply of emergency housing, permanent housing, and permanent supportive housing for homeless individuals and families.

Action H 2.1 Very Low Income Housing

Continue to develop and preserve additional homeownership and rental units that are affordable to households below 50 percent of area median income.

Action H 2.2 Financial Support for Nonprofits Addressing Homelessness

Continue to financially support the activities of nonprofits to provide services to the homeless and those at-risk of homelessness, such as homelessness prevention and diversion, rapid rehousing, emergency shelter, and permanent supportive housing.

7.3 Fair Housing, Universal Design, and Aging in Place

The federal Fair Housing Act prohibits housing discrimination for reasons of race, color, religion, national origin, sex, disability, familial status, or disability. The City is committed to enforcing the Fair Housing Act using all the tools legally available. In 2015, a Regional Analysis of Impediments to Fair Housing Choice was completed to inform the City, Wake County, the Town of Cary, the Raleigh Housing Authority, and the Housing Authority of the County of Wake on any remaining barriers that may exist in the local housing market. See the sidebar titled City Response to Analysis of Impediments to Fair Housing Choice.

With the rapidly growing number of aging households, Raleigh will face increasing needs for housing suited to the needs of the elderly and persons with disabilities, including housing that can affordably be adapted to meet residents' changing needs throughout their lifetime. Incorporated when the home is built, universal design includes wider door frames, structural accommodations for adding grab bars at a later date, counters that can be accessed by persons in wheelchairs, and other features that would allow persons with disabilities to function. Beyond the housing unit itself, access to transit is very important for the elderly and persons with disabilities.

The policies and actions that appear below help guide the City in addressing these issues.

Policy H 3.1 Fair Housing Act Enforcement

Promote enforcement of the federal Fair Housing Act through landlord training and conferences to provide equal access to housing and prevent unfair lending practices.

Policy H 3.2 Aging in Place

Promote universal design and lifecycle housing to facilitate the ability of homeowners and neighborhood residents to age in place in their homes and neighborhoods. (1, 2, 6)

Policy H 3.3 Housing for Persons with Disabilities

Support development of accessible housing for residents with disabilities, particularly near transit stations and corridors.

Policy H 3.4 Housing for Seniors

Provide and fund housing rehabilitation programs that assist elderly homeowners to repair, modernize and improve the energy efficiency of their homes, and remove barriers to aging in place.

Action H 3.3 Tax Relief for Seniors

Explore additional property tax relief mechanisms for elderly and low-income households facing rising tax cost burdens.

Action H 3.4 City Sponsored Residential Construction and Rehabilitation

Expand Community Development's use of universal design and visitability in City-sponsored residential construction and rehabilitation, including infill developments in Redevelopment Areas.

Action H 3.5 Fair Housing Ordinance Review

Explore making changes to the City's Fair Housing Ordinance to more closely match the federal Fair Housing Act, as amended.

2015 Regional Analysis of Impediments to Fair Housing Choice (AI)

The Regional AI completed in 2015 identified various impediments to fair housing choice and recommended actions that Raleigh could take to address them. The City's response was included in the 2015-16 Consolidated Annual Performance and Evaluation Report to HUD.

Below in bold are the City-related impediments identified in the regional AI completed in 2015, followed by City actions to address them.

Lack of affordable housing in high opportunity areas: On September 3, 2015, the Raleigh City Council adopted the Affordable Housing Location Policy which encourages development of City supported affordable housing in high opportunity areas.

Limited housing choice restricts access to community assets for members of the protected classes: The Wake Transit Plan would increase the percentage of the County's jobs within $\frac{3}{4}$ mile of all day transit service.

Transit system is fragmented and does not adequately connect Racially Concentrated Areas of Poverty (RCAPs) to higher opportunity areas: New transit plan addresses this and in November 2016 voters approved a transit tax to pay for massive new investments in transit throughout the City and County.

Members of the protected classes—particularly those living in RCAPs—are disproportionately denied mortgages in the private sector: The City continues to support homebuyer education, sponsors the building of affordable houses on City-owned sites, and provides low-interest second mortgages to make many sales within reach of lower-income families who otherwise may not be able to buy a house in the unsubsidized market.

RCAPs are clustered in the City of Raleigh, found primarily where lower income Black and Hispanic residents live. All of these areas are located within very low and low opportunity areas: The City adopted an Affordable Housing Location Policy in September 2015 to steer most of its affordable housing investments only to areas outside of RCAPs.

A local fair housing resource with enforcement and resolution power is needed in Raleigh: Local complaints received by the City are referred to the Fair Housing Project of Legal Aid of North Carolina and the Fair Housing Justice Center, who have the resources and expertise to address fair housing complaints.

The City needs a monitoring system in place to assure that its private vendor managing City-owned rental properties attend fair housing training: The City has always required its management company to attend fair housing training and adjustments were made to clarify this requirement in its monitoring system.

From pages 27-29 of City of Raleigh 2015-2016 Consolidated Annual Performance and Evaluation Report

